

**REDACTED – FOR PUBLIC INSPECTION**

June 27, 2016

**VIA ECFS**

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

RE: **REQUEST FOR CONFIDENTIAL TREATMENT**  
**WC Docket No. 14-58 - ETC Annual Reports and Certifications**

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan Progress Report included in FCC Form 481

Confidential Information – Subject to Protective Order Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Taylor Telephone Cooperative, Inc. (the Cooperative), Study Area Code 442151 is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket No. 14-58. *The version of the Cooperative's FCC Form 481 submitted via ECFS is a redacted version of the filing that contains no confidential information.*

The Cooperative, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan progress report and (2) the financial annual report, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan progress report is being made pursuant to Section 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the financial annual report is being made pursuant to the FCC's

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Ms. Marlene Dortch

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March 22, 2016 *Protective Order* in WC Docket Nos. 10-90 and 14-58. These attachments contain competitively sensitive data that Taylor Telephone Cooperative, Inc. maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Cooperative.

**Five-Year Service Quality Improvement Plan Progress Report**

Pursuant to Section 0.459 of the Commission's rules and Exemption 4 of FOIA, Taylor Telephone Cooperative, Inc. requests that the text and data extracted from its five-year service quality improvement plan progress report be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Cooperative maintains as confidential. Public availability of this information would have a substantial negative impact on the Cooperative.

In accordance with Section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan Progress Report. Specifically, confidential treatment is sought for all information in the five-year plan progress report related to the Cooperative's access line counts, existing broadband capabilities, and current and planned financial investments in its network that will improve service quality, service coverage, and/or service capacity for its customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket No. 14-58 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a progress report on its five-year service quality improvement plan, pursuant to 47 C.F.R. §54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan progress report contains granular information on the Cooperative's access line counts and/or existing broadband capabilities as well as recent and planned capital investments in its network to improve service quality, service coverage, and/or service capacity. It also contains a

map of the Cooperative's service area detailing progress toward meeting broadband deployment targets at the wire center level. This is closely guarded, privileged information that the Cooperative does not make publicly available.

- (4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless Internet service providers. Most RLECs also face competition from at least one other wireline broadband provider, such as a larger cable company, who will typically seek to "cherry pick" the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite broadband providers.

- (5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan progress report would provide competitors with detailed, granular information regarding the Cooperative's access line count, its existing broadband capabilities, and its recent and planned network investments that improve service quality, coverage, and/or capacity for subscribers. This would give competitors valuable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Cooperative.

- (6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Cooperative has continually treated the extracted information in its five-year plan progress report as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

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Ms. Marlene Dortch

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- (7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan progress report is not available to the public, and third-party access is limited as described in (6) above.

- (8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Cooperative requests that the extracted information be withheld from public inspection indefinitely. The information in the five-year plan progress report details the Cooperative's most recent network upgrades in relation to its previously submitted service quality improvement plan. It may also contain upcoming planned network improvements during the five-year period ending 2019. This information would provide a very useful baseline for competitors for several years beyond that period.

- (9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

**Financial Annual Report**

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). Taylor Telephone Cooperative, Inc. seeks confidential treatment of its financial annual report pursuant to the March 22, 2016 *Protective Order* in WC Docket Nos. 10-90 and 14-58.<sup>1</sup> The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

Taylor Telephone Cooperative, Inc. is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

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<sup>1</sup> *Connect America Fund, ETC Annual Reports and Certifications*, WC Docket Nos. 10-90 and 14-58, Protective Order, DA 16-296 (rel. Mar. 22, 2016).

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Ms. Marlene Dortch

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Each page of the five-year service quality improvement plan progress report confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

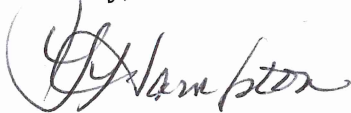
The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as attachments to the FCC Form 481.

In the filing submitted via ECFS, all pages containing confidential information bear the legend "REDACTED – FOR PUBLIC INSPECTION."

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynette Hampton", written over a circular stamp or seal.

Lynette Hampton  
Authorized Representative for  
Taylor Telephone Cooperative, Inc.

LH/pjf

Attachments

cc: Mr. Steve Singletary, Taylor Telephone Cooperative, Inc.

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Susan Hollingsworth
<035>	Contact Telephone Number: Number of the person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address: Email of the person identified in data line <030>	susanh@taylortel.org
	Form Type	54.313 and 54.422

**(100) Service Quality Improvement Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

<110>	Has your company received its ETC certification from the FCC?	(yes / no )	<input type="radio"/>	<input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no )	<input type="radio"/>	<input type="radio"/>

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

442151tx112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Not Applicable

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylorlortel.org

No

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**(300) Unfulfilled Service Request  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

&lt;300&gt; Unfulfilled service request (voice)

0

&lt;310&gt; Detail on attempts (voice)

Name of Attached Document

&lt;320&gt; Unfulfilled service request (broadband)

0

&lt;330&gt; Detail on attempts (broadband)

Name of Attached Document

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed voice	
<410>	Complaints per 1000 customers for fixed voice	0 . 0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed broadband	
<440>	Complaints per 1000 customers for fixed broadband	0 . 0
<450>	Complaints per 1000 customers for mobile broadband	

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
442151tx510.pdf		
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	

<b>(600) Functionality in Emergency Situations</b>		FCC Form 481
<b>Data Collection Form</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	442151
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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	442151tx610.pdf

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

[illegible]

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

[illegible]

**(800) Operating Companies  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org
<810>	Reporting Carrier	Taylor Telephone Cooperative, Inc.
<811>	Holding Company	Not Applicable
<812>	Operating Company	Taylor Telephone Cooperative, Inc.

[illegible]

**(900) Tribal Lands Reporting  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

&lt;900&gt; Does the filing entity offer tribal land services? (Y/N) No

&lt;910&gt; Tribal Land(s) on which ETC Serves

&lt;920&gt; Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable



**(1000) Voice and Broadband Service Rate Comparability  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	442151
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<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 442151tx1010.pdf

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Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance 442151tx1030.pdf

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Name of Attached Document

**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	442151
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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

&lt;1100&gt; Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

**(1200) Terms and Condition for Lifeline Customers**  
**Lifeline**  
**Data Collection Form**

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	442151
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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

442151tx1210.pdf

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- |        |   |                                     |
|--------|---|-------------------------------------|
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
| <1222> | Details on the number of minutes provided as part of the plan,  | <input checked="" type="checkbox"/> |
| <1223> | Additional charges for toll calls, and rates for each such plan.  | <input checked="" type="checkbox"/> |

**(2000) Price Cap Carrier Additional Documentation**

FCC Form 481

**Data Collection Form**

OMB Control No. 3060-0986/OMB Control No. 3060-0819

*Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

July 2013

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext. 4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

- <2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support
- <2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support
- <2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.
- <2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2024A> Round 2 Recipient of Incremental Support?
- <2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2025A> Round 1 or Round 2 Recipient of Incremental Support?
- <2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-
- <2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing  
Required Information

Name of Attached Document Listing  
Required Information

**(2000) Price Cap Carrier Additional Documentation (Continued)**

FCC Form 481

**Data Collection Form**

OMB Control No. 3060-0986/OMB Control No. 3060-0819

*Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

July 2013

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

&lt;2016&gt; Certification support used to build broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

&lt;2017A&gt; Connect America Fund Phase II recipient?

&lt;2017B&gt; Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

Name of Attached Document Listing  
Required Information

cap carrier used for capital expenditures in 2015.

&lt;2018&gt; Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing  
Required Information

&lt;2019&gt; Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

&lt;2020&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

&lt;2021&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

&lt;2026&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

&lt;2027&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

<010>	Study Area Code	442151
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<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)		
(3010A)	Milestone Certification {47 CFR § 54.313(f)(1)(i)}	Yes - Attach Certification	
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	442151tx3010.pdf
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3015)	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input checked="" type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	442151tx3017.pdf
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input type="radio"/> <input type="radio"/>
(3019)	If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains: Either a copy of their audited financial statement; or		<input type="checkbox"/>
(3020)	(2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3021)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3022)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	

<b>(3005) Rate Of Return Carrier Additional Documentation (Continued)</b>		FCC Form 481
<b>Data Collection Form</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext. 4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

**Financial Data Summary**

- (3027) Revenue
- (3028) Operating Expenses
- (3029) Net Income
- (3030) Telephone Plant In Service(TPIS)
- (3031) Total Assets
- (3032) Total Debt
- (3033) Total Equity
- (3034) Dividends



<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission’s public interest obligations. All RBE participants must provide a response to Line 4001.

**4001.** Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

**4003a.** RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information



**Certification - Reporting Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

<b>Certification - Agent / Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	442151
<015> Study Area Name	TAYLOR TEL CO-OP INC
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035> Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039> Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Moss Adams LLP</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	<u>Moss Adams LLP</u>
Name of Reporting Carrier:	<u>TAYLOR TEL CO-OP INC</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> Date: <u>06/27/2016</u>
Printed name of Authorized Officer:	<u>Steve Singletary</u>
Title or position of Authorized Officer:	<u>General Manager/CEO</u>
Telephone number of Authorized Officer:	<u>3258464111 ext.4126</u>
Study Area Code of Reporting Carrier:	<u>442151</u> Filing Due Date for this form: <u>07/01/2016</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	<u>TAYLOR TEL CO-OP INC</u>
Name of Authorized Agent Firm:	<u>Moss Adams LLP</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> Date: <u>06/27/2016</u>
Name of Authorized Agent Employee:	<u>Lynette Hampton</u>
Title or position of Authorized Agent or Employee of Agent	<u>Telecommunications Consulting Manager</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>5126527725 ext.</u>
Study Area Code of Reporting Carrier:	<u>442151</u> Filing Due Date for this form: <u>07/01/2016</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

<b>(700) Price Offerings including Voice Rate Data</b> <b>Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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July 2013

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

[illegible]

<b>(710) Broadband Price Offerings</b> <b>Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext. 4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylorstel.org

[illegible]

(800) Operating Companies	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

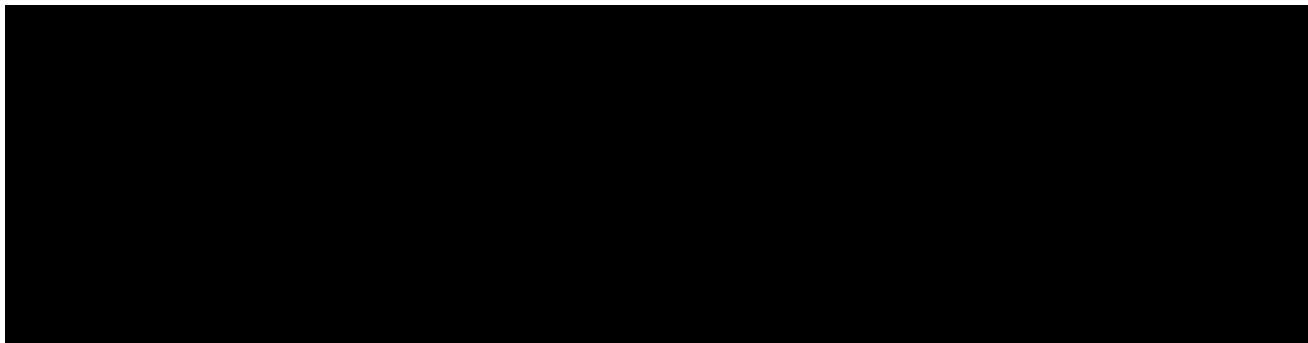
OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	442151
<015>	Study Area Name	TAYLOR TEL CO-OP INC
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Susan Hollingsworth
<035>	Contact Telephone Number - Number of person identified in data line <030>	3258464111 ext.4119
<039>	Contact Email Address - Email Address of person identified in data line <030>	susanh@taylortel.org
<810>	Reporting Carrier	Taylor Telephone Cooperative, Inc.
<811>	Holding Company	Not Applicable
<812>	Operating Company	Taylor Telephone Cooperative, Inc.

[illegible]

**LINE 112 – FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN  
PROGRESS REPORT**

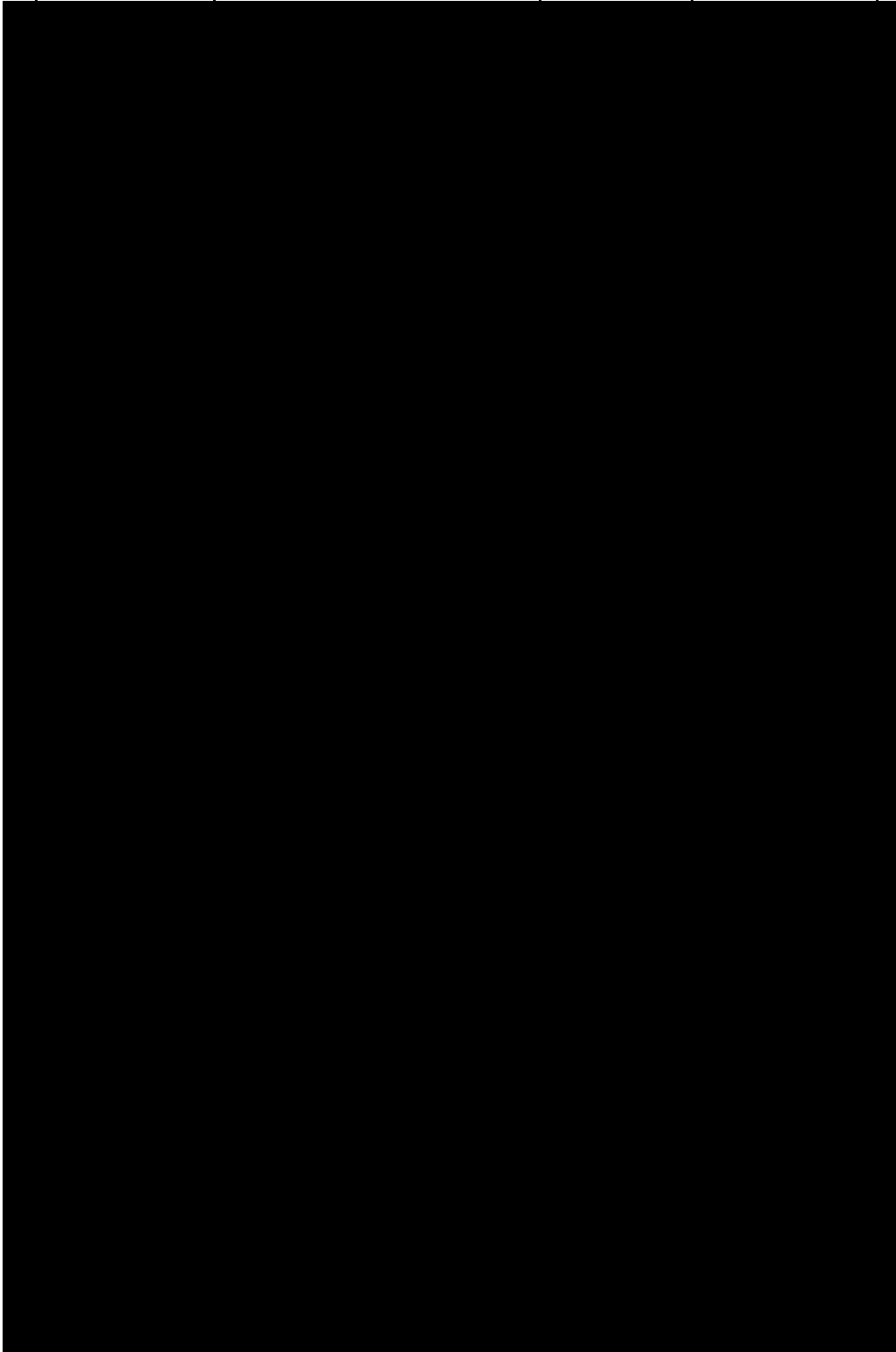


The Cooperative received \$3,835,177 in Universal Service Fund (“USF”) support in calendar year 2015.



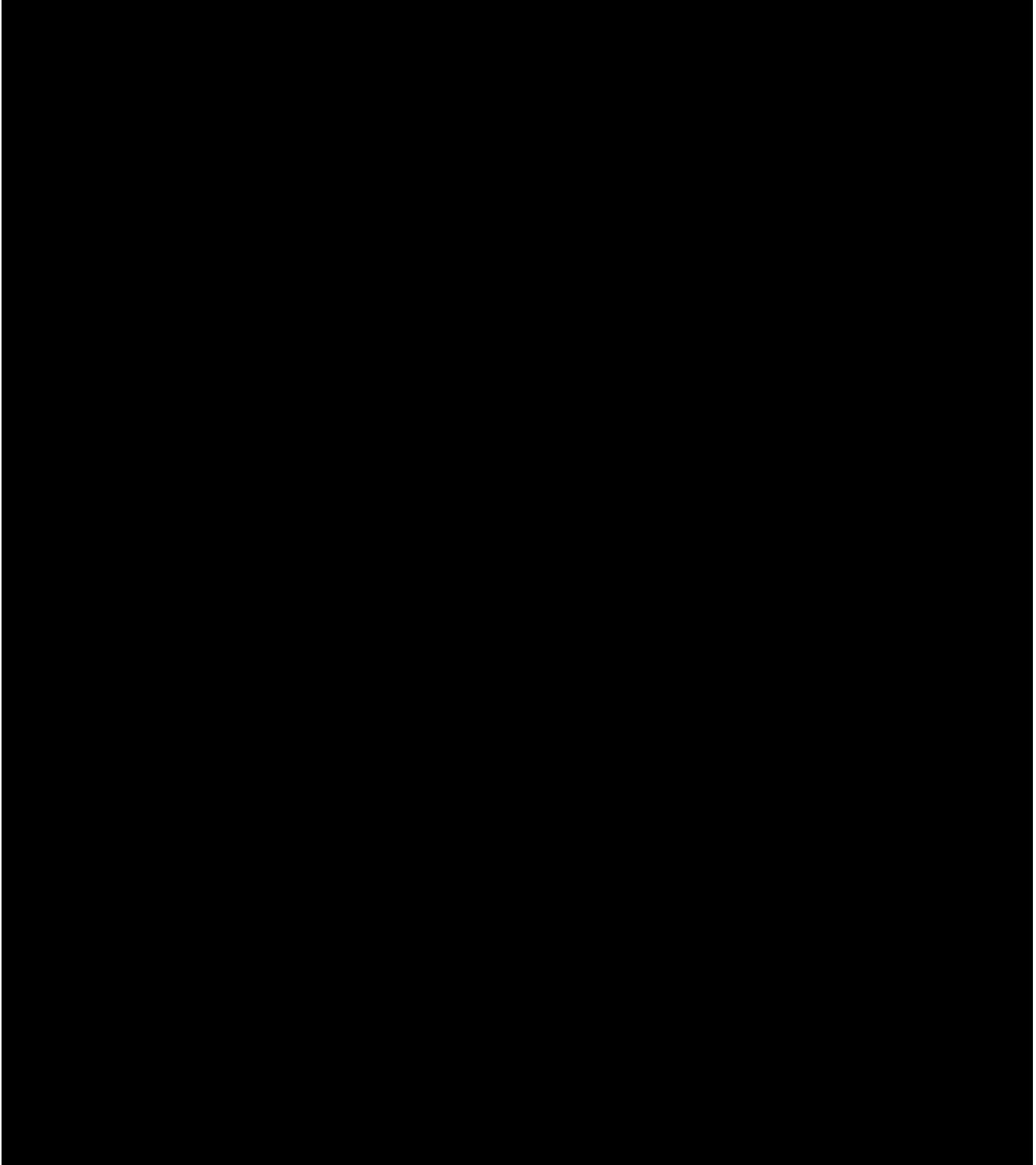
**Service Quality Improvement Plan Progress Update**

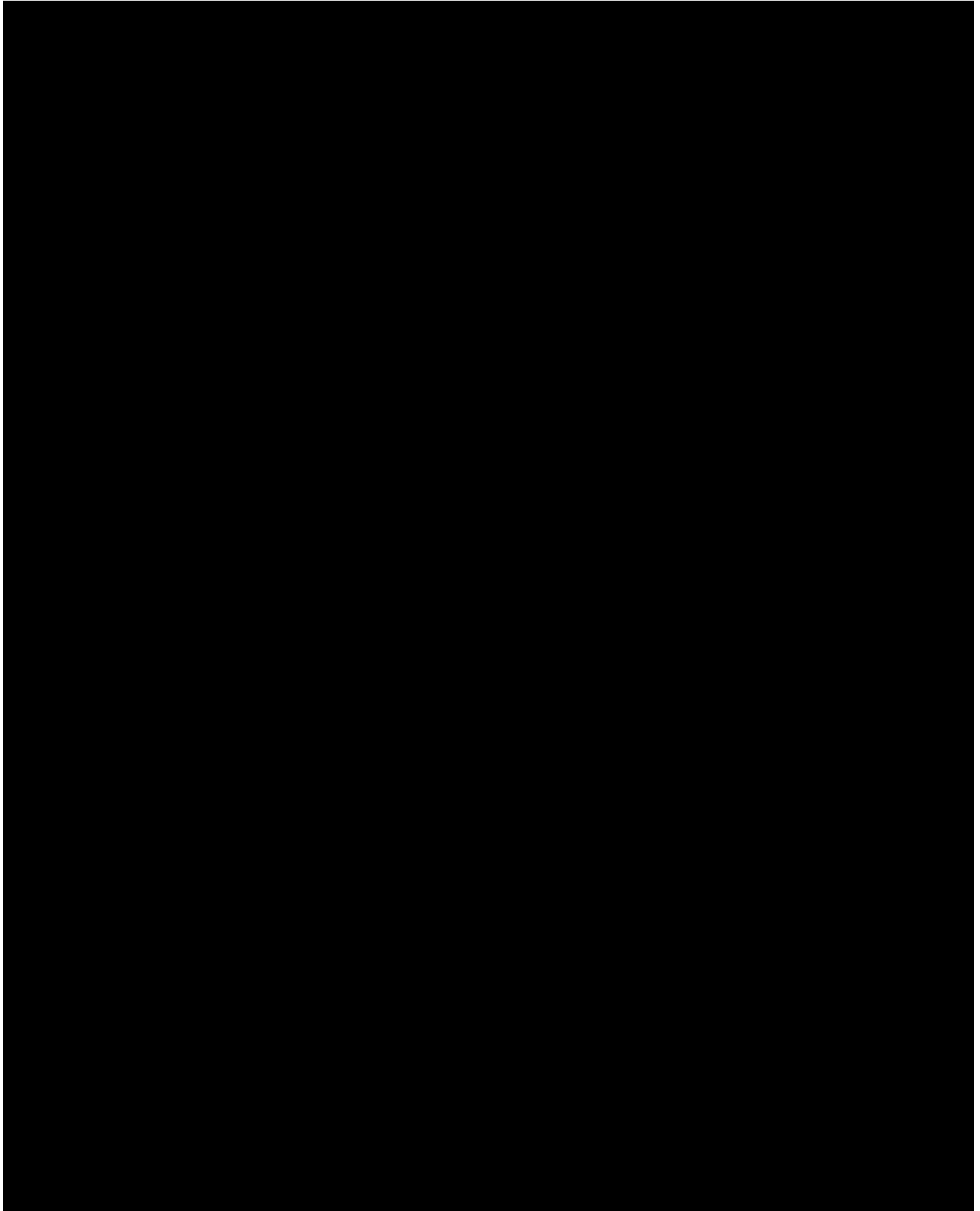
<b>Exchange</b>	<b>Description of Improvements in 2015</b>	<b>5-Year Plan 2015 Forecast</b>	<b>2015 Actual</b>
-----------------	--	--	------------------------

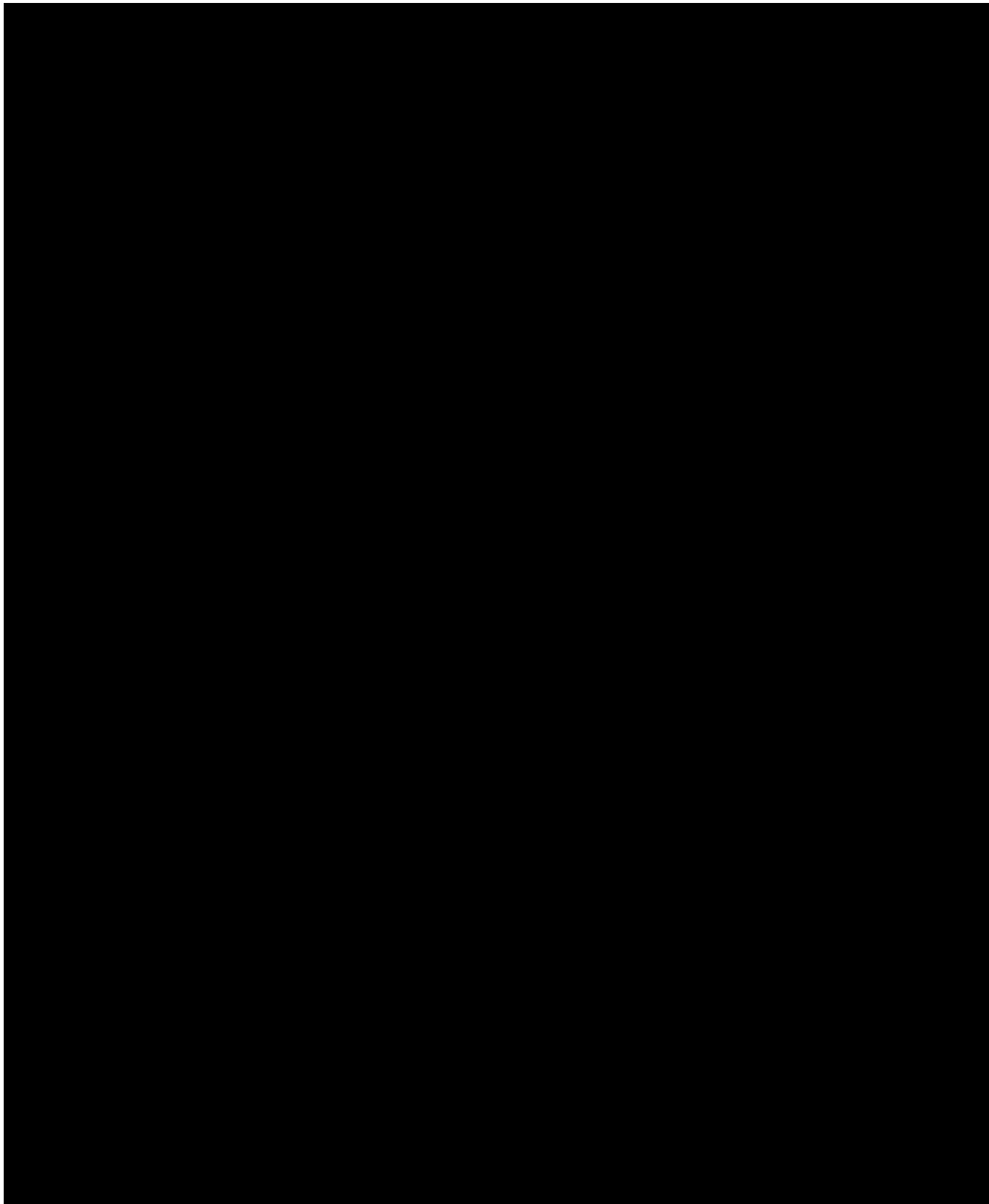


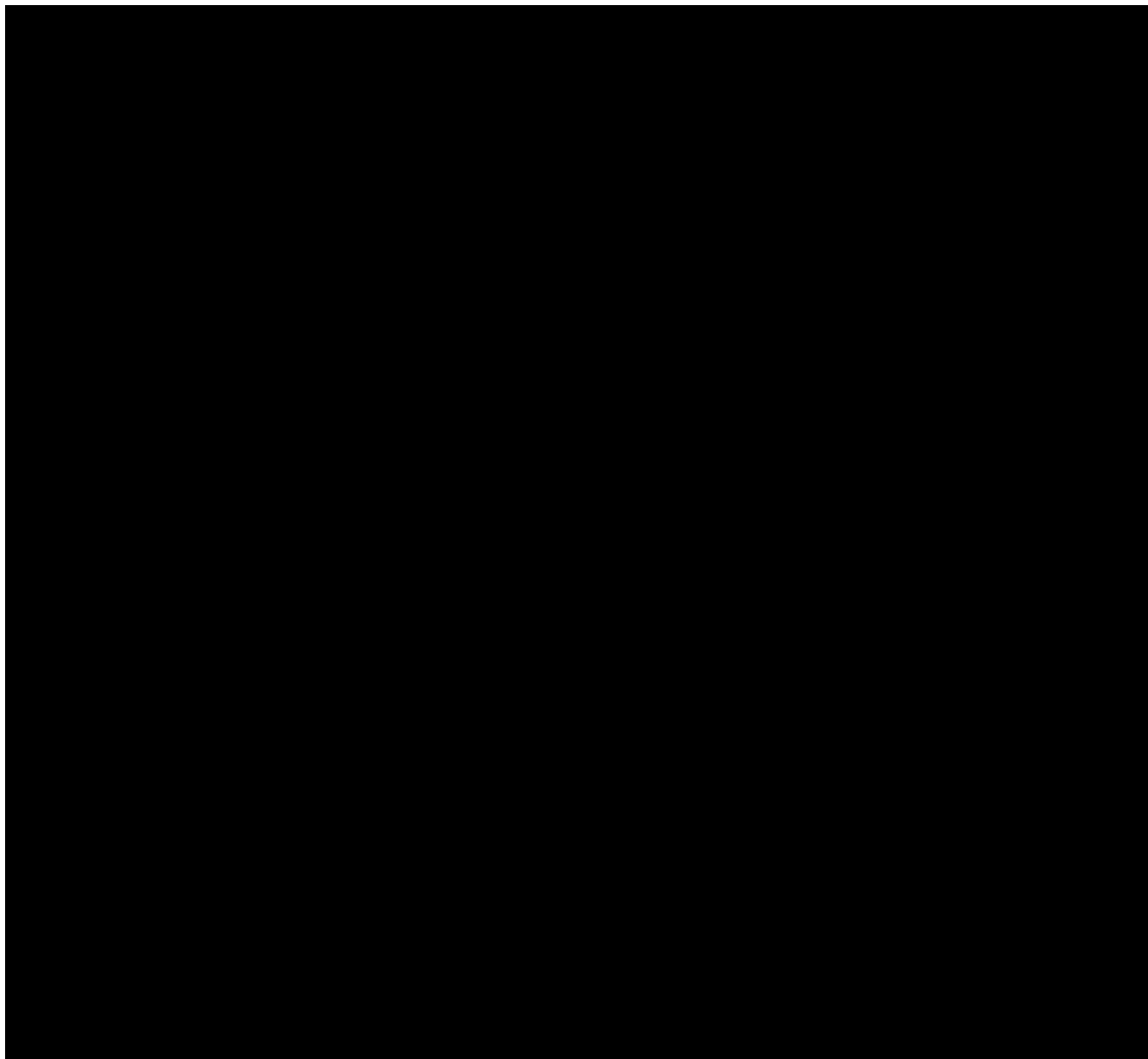


**Year End 2015 Progress Report Description**

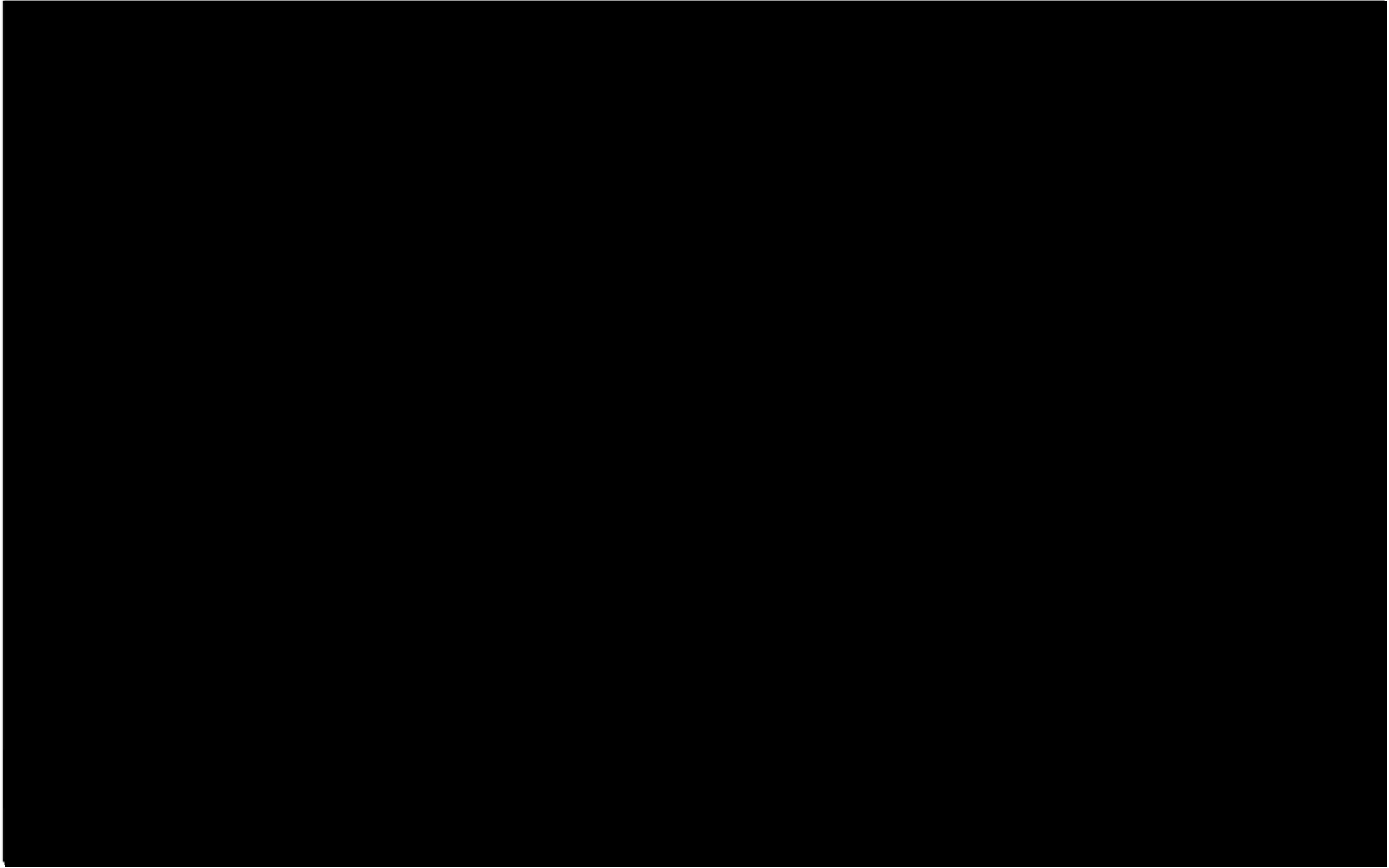








REDACTED - FOR PUBLIC INSPECTION



## **LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE**

Taylor Telephone Cooperative, Inc. (the “Cooperative”) complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The rates, terms, and conditions under which the Cooperative operates are outlined in its member services tariff, which is approved by the Public Utility Commission of Texas (“Texas PUC”). The tariff contains provisions regarding the Cooperative’s customer service and protection practices.

Service quality standards for voice service are established by the Texas PUC. The Cooperative consistently meets or exceeds those standards and provides reports to the Texas PUC, in accordance with the Texas PUC’s rules.

With regard to broadband service, the Cooperative provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a “best effort” service and are dependent upon a number of variables, many of which are outside the control of the Cooperative. Taylor established the attached “Acceptable Use Policy for Broadband” (AUP). This document is available on the Cooperative’s website and must be reviewed and accepted by customers when they subscribe to the Cooperative’s broadband service.

The Cooperative also complies with the FCC’s Open Internet rules, 47 C.F.R. §§8.3-8.11. These rules prohibit blocking, throttling, and paid prioritization, and also require transparency of network management practices, performance, and the commercial terms of broadband services.

The Cooperative complies with any and all consumer protection obligations under state law.

The Cooperative also complies with the following consumer best practices: (1) the Cooperative discloses its rates and terms of service to customers; (2) the Cooperative provides specific disclosures in its advertising; (3) the Cooperative separately identifies carrier charges from taxes on its billing statements; (4) the Cooperative provides ready access to customer service; (5) the Cooperative promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Cooperative abides by policies for protection of consumer privacy.

Finally, the Cooperative has a policy and established operating procedures that comply with the FCC’s Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Cooperative’s compliance with CPNI rules and a description of the Cooperative’s operating procedures that ensure compliance are filed annually with the FCC.

## **TTC's Acceptable Use Policy for Broadband**

Taylor Telephone has adopted this Acceptable Use AUP ("AUP") to outline the acceptable use of Taylor Telephone's Broadband Internet Service. This AUP is in addition to any restrictions contained in the Taylor Telephone service agreement for Internet service (the "Subscriber Agreement"). Please also refer to the Frequently Asked Questions ("FAQs") which includes explanations of how Taylor Telephone will enforce this AUP in the context of network management. All capitalized terms used in this AUP that are not defined here have the meanings given to them in the Subscriber Agreement.

You, the customer, must comply with this AUP. Your failure to do so could result in the suspension or termination of your Broadband Service account. If you do not agree to comply with this AUP, you must immediately stop all use of the Broadband Service and notify Taylor Telephone so that we can close your account.

Taylor Telephone may revise this AUP from time to time and will have the latest version posted on its website. Taylor Telephone will use reasonable efforts to make customers aware of any changes to this AUP, which may include sending e-mail announcements or posting additional information on the Taylor Telephone website. Revised versions of this AUP are effective immediately upon posting. Accordingly, customers of the Taylor Telephone Broadband Internet Broadband Service should read any Taylor Telephone announcements they receive and regularly visit the Taylor Telephone website and review this AUP to ensure that their activities conform to the most recent version. You can ask questions regarding this AUP to, and report violations of it at Taylor Telephone Cooperative, Inc., phone number 325-846-4111. To report illegal content on the Internet go to [www.ftc.gov](http://www.ftc.gov).

### **I. Prohibited Uses and Activities**

In general, this AUP prohibits uses and activities involving the Broadband Service that are illegal, infringe the rights of others, or interfere with or diminish the use and enjoyment of the Broadband Service by others.

#### **A. Network and Usage Restrictions**

No user of the Broadband Service, Customer Equipment, or the Taylor Telephone Equipment may, individually or in combination with another:

1. restrict, inhibit, or otherwise interfere with the ability of any other person, regardless of intent, purpose or knowledge, to use or enjoy the Broadband Service (except for safety and security functions such as parental controls, for example), including, without limitation, posting or transmitting any information or software which contains a worm, virus, or other harmful feature, or generating levels of traffic sufficient to impede others' ability to use, send, or retrieve information;
2. restrict, inhibit, interfere with, or otherwise disrupt performance of the Broadband Service or cause performance degradation;
3. regardless of intent, purpose or knowledge, to the Broadband Service or any Taylor Telephone (or Taylor Telephone supplier) host, server, backbone network, node or service, or otherwise cause a performance degradation to any Taylor Telephone (or Taylor Telephone supplier) facilities used to deliver the Broadband Service;

4. resell the Broadband Service or otherwise make available to anyone outside the Premises the ability to use the Broadband Service (for example, through Wi-Fi or other methods of networking), in whole or in part, directly or indirectly. The Broadband Service is for personal and non-commercial residential use only and you agree not to use the Broadband Service for operation as an Internet service provider or for any business enterprise or purpose (whether or not for profit);
5. connect the Taylor Telephone Equipment to any computer outside of your Premises;
6. interfere with computer networking or telecommunications service to any user, host or network, including, without limitation, denial of service attacks, flooding of a network, overloading a service, improper seizing and abusing operator privileges, and attempts to "crash" a host; and
7. accessing and using the Broadband Service with anything other than a dynamic Internet Protocol ("IP") address that adheres to the dynamic host configuration protocol ("DHCP"). You may not configure the Broadband Service or any related equipment to access or use a static IP address or use any protocol other than DHCP unless expressly permitted to do so by Taylor Telephone.

B. Conduct and Information Restrictions

No user of the Broadband Service, Customer Equipment, or the Taylor Telephone Equipment may, individually or in combination with another:

1. avoid incurring charges for or otherwise being required to pay for usage of the Broadband Service;
2. invade another person's privacy, stalk, harass, or otherwise violate the rights of other persons;
3. undertake or accomplish any unlawful purpose. This includes, but is not limited to, posting, storing, transmitting or disseminating information, data or material which is libelous, obscene, unlawful, threatening or defamatory, or which infringes the intellectual property rights of any person or entity, or which in any way constitutes or encourages conduct that would constitute a criminal offense, or otherwise violate any local, state, federal, or non-U.S. law, order, or regulation;
4. post, store, send, transmit, or disseminate any information or material which a reasonable person could deem to be unlawful;
5. upload, post, publish, transmit, reproduce, create derivative works of, or distribute in any way information, software or other material obtained through the Broadband Service or otherwise that is protected by copyright or other proprietary right, without obtaining any required permission of the owner;
6. collect, or attempt to collect, personal information about third parties without their consent;
7. transmit unsolicited bulk or commercial messages commonly known as "spam;"
8. send voluminous copies of the same or substantially similar messages, empty messages, or messages which contain no substantive content, or send very large messages or files that disrupts a server, account, blog, newsgroup, chat, or similar service;
9. initiate, perpetuate, or in any way participate in any pyramid or other illegal scheme;
10. participate in the collection of voluminous amounts of email addresses, screen names, or other identifiers of others (without their prior consent), a practice sometimes known as spidering or harvesting, or participate in the use of software (including "spyware") designed to facilitate this activity;



B. Conduct and Information Restrictions (Continued)

11. collect responses from unsolicited bulk messages;
12. falsify, alter, or remove message headers;
13. falsify references to Taylor Telephone or its network, by name or other identifier, in messages;
14. impersonate any person or entity, engage in sender address falsification, forge anyone else's digital or manual signature, or perform any other similar fraudulent activity (for example, "phishing");
15. violate the rules, regulations, terms of service, or policies applicable to any network, server, computer database, service, application, system, or Website that you access or use.

C. Technical Restrictions

No user of the Broadband Service, Customer Equipment, or the Taylor Telephone Equipment may, individually or in combination with another:

1. use the Internet service or facilities for web-hosting, email hosting, or other unusually high-bandwidth consumption unless you have made special subscription arrangements with Taylor Telephone and the usage does not otherwise violate law or regulation;
2. access any other person's computer or computer system, network, software, or data without his or her knowledge and consent; breach the security of another user or system; or attempt to circumvent the user authentication or security of any host, network, or account. This includes, but is not limited to, accessing data not intended for you, logging into or making use of a server or account you are not expressly authorized to access, or probing the security of other hosts, networks, or accounts without express permission to do so;
3. use or distribute tools or devices designed or used for compromising security or whose use is otherwise unauthorized, such as password guessing programs, decoders, password gatherers, keystroke loggers, analyzers, cracking tools, packet sniffers, encryption circumvention devices, or Trojan Horse programs. Unauthorized port scanning is strictly prohibited;
4. copy, distribute, or sublicense any proprietary software provided in connection with the Broadband Service by Taylor Telephone or any third party, except that you may make one copy of each software program for back-up purposes only;
5. distribute programs that make unauthorized changes to software (cracks);
6. use or run dedicated, stand-alone equipment or servers from the Premises that provide network content or any other services to anyone outside of your Premises local area network ("Premises LAN"), also commonly referred to as public services or servers. Examples of prohibited equipment and servers include, but are not limited to, email, Web hosting, file sharing, and proxy services and servers;
7. use or run programs from the Premises that provide network content or any other services to anyone outside of your Premises LAN, except for personal and non-commercial residential use;
8. service, alter, modify, or tamper with the Taylor Telephone Equipment or Broadband Service or permit any other person to do the same who is not authorized by Taylor Telephone.

## II. Customer Conduct and Features of the Broadband Service

### A. Customer Obligations

In addition to being responsible for your own compliance with this AUP, you are also responsible for any use or misuse of the Broadband Service that violates this AUP, even if it was committed by a friend, family member, or guest with access to your Broadband Service account. Therefore, you must take steps to ensure that others do not use your account to gain unauthorized access to the Broadband Service by, for example, strictly maintaining the confidentiality of your Broadband Service login and password. In all cases, you are solely responsible for the security of any device you choose to connect to the Broadband Service, including any data stored or shared on that device. It is also your responsibility to secure the Customer Equipment and any other Premises equipment or programs not provided by Taylor Telephone that connects to the Broadband Service from external threats such as viruses, spam, bot nets, and other methods of intrusion.

### B. Taylor Telephone's Rights

1. Taylor Telephone reserves the right to refuse to transmit or post, and to remove or block, any information or materials, in whole or in part, that it, in its sole discretion, deems to be in violation of Sections I or II of this AUP, or otherwise harmful to Taylor Telephone's network or customers using the Broadband Service, regardless of whether this material or its dissemination is lawful so long as it violates this AUP. Neither Taylor Telephone nor any of its affiliates, suppliers, or agents have any obligation to monitor transmissions or postings (including, but not limited to, email, file transfer, blog, newsgroup, and instant message transmissions) made on the Broadband Service. However, Taylor Telephone and its affiliates, suppliers, and agents have the right to monitor these transmissions and postings from time to time for violations of this AUP and to disclose, block, or remove them in accordance with this AUP, the Subscriber Agreement, and applicable law.

### C. Service Restrictions

All of Taylor Telephone's network and system services are provided according to scheduled fees for each type of service. You agree to use such services in accordance with the terms set forth below.

#### 1. Email and Web-Hosting Services

- (i) Unsolicited Email Prohibited - You may not use Taylor Telephone-hosted email addresses for the purpose of sending unsolicited email. You may not use or cause to be used Taylor Telephone's equipment, network connectivity, or other resources to originate, deliver, relay or otherwise transmit unsolicited email messages. You may not engage in any of the foregoing prohibited activities by using the service of any other provider, third-party agent, remaining service or address forwarding service, in such a way that Taylor Telephone's network addresses or Taylor Telephone-hosted web or email services are in any way identified as being associated with the sending of unsolicited email.
- (ii) Unauthorized use, or forging, of mail header information (e.g. "spoofing") is prohibited.
- (iii) Fraudulent Activity Prohibited - You may not use the Taylor Telephone email and web-hosting services to make fraudulent offers to sell or buy products, items, services, or to advance any type of financial scam such as "pyramid schemes", "Ponzi schemes" or "chain letters." You may not use techniques to hide or obscure the source of any email or other communications.

C. Service Restrictions (Continued)

1. Email and Web-Hosting Services (Continued)

- (iv) Taylor Telephone reserves the right to suspend or delay delivery of email to Customer utilizing the Taylor Telephone email services and/or the virtual domain email if the volume of email being redirected, stored, or delivered on the Customer's behalf is deemed excessive. Excessive traffic is defined as any amount of email that consumes more than 10MB of disk storage space per individual mailbox or any volume of email traffic that noticeably degrades performance on the server in question, in the sole discretion of Taylor Telephone. Stored mail exceeding these limits may be transferred to a compressed file at Taylor Telephone's discretion. Taylor Telephone will attempt to notify the account holder via the account contact information on record; however Taylor Telephone reserves the right to delete the contents of such email boxes upon thirty (30) days after attempted notification.
- (v) The Broadband Service may not be used to communicate or distribute e-mail or other forms of communications in violation of Section of this AUP. As described below in Section III of this AUP, Taylor Telephone uses reasonable network management tools and techniques to protect customers from receiving spam and from sending spam (often without their knowledge over an infected computer).
- (vi) Taylor Telephone is not responsible for deleting or forwarding any email sent to the wrong email address by you or by someone else trying to send email to you. Taylor Telephone is also not responsible for forwarding email sent to any account that has been suspended or terminated. This email will be returned to the sender, ignored, deleted, or stored temporarily at Taylor Telephone's sole discretion.
- (vii) In the event that Taylor Telephone believes in its sole discretion that any subscriber name, account name, or email address (collectively, an "identifier") on the Broadband Service may be used for, or is being used for, any misleading, fraudulent, or other improper or illegal purpose, Taylor Telephone (i) reserves the right to block access to and prevent the use of any of these identifiers and (ii) may at any time require any customer to change his or her identifier. In addition, Taylor Telephone may at any time reserve any identifiers on the Broadband Service for Taylor Telephone's own purposes. In the event that a Broadband Service account is terminated for any reason, all email associated with that account (and any secondary accounts) will be permanently deleted as well.

2. Instant, Video, and Audio Messages

Each user is responsible for the contents of his or her instant, video, and audio messages and the consequences of any of these messages. Taylor Telephone assumes no responsibility for the timeliness, miss-delivery, deletion, or failure to store these messages. In the event that a Broadband Service account is terminated for any reason, all instant, video, and audio messages associated with that account (and any secondary accounts) will be permanently deleted as well.

C. Service Restrictions (Continued)

3. Personal Web Pages and File Storage

You are solely responsible for any information that you or others publish or store on any personal web page or in any storage files. You are also responsible for ensuring that all content made available through personal web pages is appropriate for those who may have access to it. For example, you must take appropriate precautions to prevent minors from receiving or accessing inappropriate content. Taylor Telephone reserves the right to remove, block, or refuse to post or store any information or materials, in whole or in part, that it, in its sole discretion, deems to be in violation of Section I of this AUP. For purposes of this AUP, "material" refers to all forms of communications including text, graphics (including photographs, illustrations, images, drawings, and logos), executable programs and scripts, video recordings, and audio recordings.

II. Network Management and Limitations on Data Consumption

Taylor Telephone manages its network with the goal of delivering a fast, safe and uncompromised broadband Internet experience to all of its customers. But, high-speed bandwidth and network resources are not unlimited. Managing the network is essential for the promotion of best possible Broadband Internet experience by all of Taylor Telephone's customers. The company uses reasonable network management practices that are consistent with industry standards. Taylor Telephone tries to use tools and technologies that are minimally intrusive and, in its independent judgment guided by industry experience, among the best in class. Of course, the Company's network management practices will change and evolve along with the uses of the Internet and the challenges and threats on the Internet.

If Taylor Telephone didn't manage its network, its customers would be subject to the negative effects of spam, viruses, security attacks, network congestion, and other risks and degradations of service. By engaging in responsible network management, including enforcement of this AUP, Taylor Telephone can deliver the best possible broadband Internet experience to all of its customers.

Please see Taylor Telephone's [Network Management Policy](#) for more information.

A. Network Usage and Data Consumption Restrictions

You acknowledge that all of the Taylor Telephone Internet services are intended for periodic, active use of email, user newsgroups, and transfers via FTP, Internet chat, Internet games, and browsing of the Internet. You must comply with all current bandwidth, data storage, and other limitations on the Taylor Telephone Internet services that have been established by Taylor Telephone and Taylor Telephone suppliers. You agree not to intentionally use the Taylor Telephone Internet service on a standby or inactive basis in order to maintain a connection. The excessive use or abuse of Taylor Telephone's network resources by one Customer may have a negative impact on all other Customers. Accordingly, in addition to the Prohibited Uses and Activities provided in Section I, you may not use the Taylor Telephone Internet service or take any action, directly or indirectly, that will result in excessive consumption or utilization of the system or network resources, or which may weaken network performance, as determined in Taylor Telephone's sole discretion. Such prohibited actions include, but are not limited to: using the Taylor Telephone Internet Services to host a web server site which attracts excessive traffic at your location, continuously uploading or downloading streaming video or audio, use net hosting, continuous FTP uploading or downloading, or acting in a manner that negatively effects other users' ability to engage in real time exchanges and use of the Taylor Telephone Internet Services.

A. Network Usage and Data Consumption Restrictions (Continued)

The Broadband Service is for personal and non-commercial residential use only. Therefore, Taylor Telephone reserves the right to suspend or terminate Broadband Service accounts where data consumption is not characteristic of a typical residential user of the Broadband Service as determined by Taylor Telephone in its sole discretion.

Common activities that may cause excessive data consumption in violation of this AUP include, but are not limited to, numerous or continuous bulk transfers of files and other high capacity traffic using (i) file transfer protocol ("FTP"), (ii) peer-to-peer applications, and (iii) newsgroups. You must also ensure that your use of the Broadband Service does not restrict, inhibit, interfere with, or degrade any other person's use of the Broadband Service, nor represent (as determined by Taylor Telephone in its sole discretion) an overly large burden on the network. In addition, you must ensure that your use of the Broadband Service does not limit or interfere with Taylor Telephone's ability to deliver and monitor the Broadband Service or any part of its network.

If you use the Broadband Service in violation of the restrictions referenced above, that is a violation of this AUP. In these cases, Taylor Telephone may, in its sole discretion, suspend or terminate your Broadband Service account or request that you subscribe to a version of the Broadband Service (such as a commercial grade Internet service, if appropriate) if you wish to continue to use the Broadband Service at higher data consumption levels. Taylor Telephone may also provide versions of the Broadband Service with different speed and data consumption limitations, among other characteristics, subject to applicable Broadband Service plans.

Taylor Telephone's determination of the data consumption for Broadband Service accounts is final.

IV. Violation of this Acceptable Use AUP

Taylor Telephone reserves the right to immediately suspend or terminate your Broadband Service account and terminate the Subscriber Agreement if you violate the terms of this AUP or the Subscriber Agreement.

Taylor Telephone does not routinely monitor the activity of individual Broadband Service accounts for violations of this AUP, except for determining aggregate data consumption in connection with the data consumption provisions of this AUP. However, in the company's efforts to promote good citizenship within the Internet community, it will respond appropriately if it becomes aware of inappropriate use of the Broadband Service. Taylor Telephone has no obligation to monitor the Broadband Service and/or the network. However, Taylor Telephone and its suppliers reserve the right at any time to monitor bandwidth, usage, transmissions, and content in order to, among other things, operate the Broadband Service; identify violations of this AUP; and/or protect the network the Broadband Service and Taylor Telephone users.

Taylor Telephone prefers to inform customers of inappropriate activities and give them a reasonable period of time in which to take corrective action. Taylor Telephone also prefers to have customers directly resolve any disputes or disagreements they may have with others, whether customers or not, without Taylor Telephone's intervention. However, if the Broadband Service is used in a way that Taylor Telephone or its suppliers, in their sole discretion, believe violates this AUP, Taylor Telephone or its suppliers may take any responsive actions they deem appropriate under the circumstances with or without notice. These actions include, but are not limited to, temporary or permanent removal of content, cancellation of newsgroup posts, filtering of Internet transmissions, and the immediate suspension or termination of all or any portion of the Broadband Service (including but not limited to newsgroups). Neither, Taylor Telephone nor its affiliates, suppliers, or agents will have any liability for any of these responsive actions. These actions are not Taylor Telephone's exclusive remedies and Taylor Telephone may take any other legal or technical actions it deems appropriate with or without notice.

#### IV. Violation of this Acceptable Use AUP (Continued)

Taylor Telephone reserves the right to investigate suspected violations of this AUP, including the gathering of information from the user or users involved and the complaining party, if any, and examination of material on Taylor Telephone's servers and network. During an investigation, Taylor Telephone may suspend the account or accounts involved and/or remove or block material that potentially violates this AUP. You expressly authorize and consent to Taylor Telephone and its suppliers cooperating with (i) law enforcement authorities in the investigation of suspected legal violations, and (ii) and system administrators at other Internet service providers or other network or computing facilities in order to enforce this AUP. Upon termination of your Broadband Service account, Taylor Telephone is authorized to delete any files, programs, data, email and other messages associated with your account (and any secondary accounts).

The failure of Taylor Telephone or its suppliers to enforce this AUP, for whatever reason, shall not be construed as a waiver of any right to do so at any time. You agree that if any portion of this AUP is held invalid or enforceable, that portion will be construed consistent with applicable law as nearly as possible, and the remaining portions will remain in full force and effect. You agree to indemnify, defend and hold harmless Taylor Telephone and its affiliates, suppliers, and agents against all claims and expenses (including reasonable attorney fees) resulting from any violation of this AUP. Your indemnification will survive any termination of the Subscriber Agreement.

#### V. Redress and Governing Law

##### a. Governing Law I Resolution of Disputes- Arbitration

Any dispute or claim between you, the Customer, and Taylor Telephone arising out of or relating to the service provided in connection with this Acceptable Use Policy or the Subscriber Agreement shall be resolved by arbitration ("Arbitration"), unless otherwise specified in Customer's individual Subscriber Agreement. To the extent that there is a conflict regarding this Arbitration provision, the Customer's individual Subscriber Agreement supersedes the Terms and Policies of the individual Services.

The arbitrator's decision shall follow the plain meaning of the relevant documents, and shall be final and binding. The parties agree that no arbitrator has the authority to: (i) award relief in excess of what the Subscriber Agreement provides; or (ii) award punitive or exemplary damages. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. All claims shall be arbitrated individually and Customer will not bring, or join any class action of any kind in court or in arbitration or seek to consolidate or bring previously consolidated claims in Arbitration. CUSTOMER ACKNOWLEDGES THAT THIS ARBITRATION PROVISION CONSTITUTES A WAIVER OF ANY RIGHT TO A JURY TRIAL.

##### b. Governing Law I Resolution of Disputes– Governing Law

The Agreement and the relationship between you and Taylor Telephone shall be governed by the laws of the state of Texas without regard to its conflict of law provisions. To the extent court action is initiated to enforce an arbitration award or for any other reason consistent with the Arbitration provision herein, you and Taylor Telephone agree to submit to the personal and exclusive jurisdiction of the courts located within the state of Texas and waive any objection as to venue or inconvenient forum. The failure of Taylor Telephone to exercise or enforce any right or provision of this AUP or the Subscriber Agreement shall not constitute a waiver of such right or provision. If any provision of this AUP or the Subscriber Agreement is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give effect to the parties' intentions as reflected in the provision, and the other provisions of this AUP or the Subscriber Agreement remain in full force and effect. You agree that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to use

V. Redress and Governing Law (Continued)

b. Governing Law I Resolution of Disputes– Governing Law (Continued)

of the service, this AUP or the Subscriber Agreement must be filed within one (1) year after such claim or cause of action arose or be forever barred.

VI. Copyright and Digital Millennium Copyright Act Requirements

Taylor Telephone is committed to complying with U.S. copyright and related laws, and requires all customers and users of the Broadband Service to comply with these laws. Accordingly, you may not store any material or content on, or disseminate any material or content over, the Broadband Service (or any part of the Broadband Service) in any manner that constitutes an infringement of third party intellectual property rights, including rights granted by U.S. copyright law. Owners of copyrighted works who believe that their rights under U.S. copyright law have been infringed may take advantage of certain provisions of the Digital Millennium Copyright Act of 1998 (the "DMCA") to report alleged infringements. It is Taylor Telephone's policy in accordance with the DMCA and other applicable laws to reserve the right to terminate the Broadband Service provided to any customer or user who is either found to infringe third party copyright or other intellectual property rights, including repeat infringers, or who Taylor Telephone, in its sole discretion, believes is infringing these rights. Taylor Telephone may terminate the Broadband Service at any time with or without notice for any affected customer or user.

Category: TTC's Acceptable Use Policy for Broadband

## **LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS**

Taylor Telephone Cooperative is able to function in emergency situations for both voice and broadband service. The Cooperative has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The Cooperative is able to reroute traffic around damaged facilities. Although the Cooperative's ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.



## **LINE 1010 – VOICE SERVICES RATE COMPARABILITY**

The Wireline Competition Bureau's most recent reasonable comparability benchmark for voice services is \$47.48, which includes the federal subscriber line charge ("SLC").<sup>1</sup>

In 2015, in the exchanges served by Taylor Telephone Cooperative, Inc. ("the Cooperative"), the highest single-line residential local rate, including any mandatory extended area service charge, is \$18.65. When the federal SLC (\$6.50) is included, the rate becomes \$25.15. Therefore, the Cooperative's pricing of fixed voice services is less than the reasonable comparability benchmark of \$47.48.

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<sup>1</sup> *Wireline Competition Bureau Announces Results of 2015 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, Public Notice, WC Docket No. 10-90, DA 15-470 (rel. April 16, 2015).

#### **LINE 1030 – BROADBAND SERVICES RATE COMPARABILITY**

In 2015, Taylor Telephone Cooperative, Inc. (“the Cooperative”) charged a residential rate of \$78.92 for broadband providing 12 Mbps download/1 Mbps upload, and an unlimited usage allowance. This rate is lower than the 2015 reasonable comparability benchmark established by the Wireline Competition Bureau for the same service offering.

## **LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS**

Residential customers of Taylor Telephone Cooperative, Inc. (“the Cooperative”) who qualify for the Lifeline Program receive a federal discount of \$9.25, a state discount of \$3.50, and an area discount of \$0.50 on local voice telephony service in all exchanges except Hawley and Potosi. The Lifeline area discount for the Hawley and Potosi exchanges is \$0.83.

The Lifeline single-line residential rates, including any applicable mandatory extended area service charge and the federal subscriber line charge (“SLC”) are provided below for the Cooperative’s exchanges it serves:

### **Bradshaw Exchange:**

\$11.90 (\$25.15 standard rate - \$13.25 discount);

### **Buffalo Gap, Lawn and Tuscola Exchanges:**

\$9.90 (\$23.15 standard rate - \$13.25 discount);

### **Crews, Leuders, Nolan, Noodle, Norton, Nubia, and Wingate Exchanges:**

\$10.40 (\$23.65 standard rate - \$13.25 discount);

### **Hamby Exchange:**

\$10.90 (\$24.15 standard - \$13.25 discount).

### **Hawley and Potosi Exchanges:**

\$8.40 (\$21.98 standard - \$13.58 discount)

All single-line residential customers, including Lifeline customers, have an unlimited number of minutes for calls made within their local calling area.

Toll charges for calls outside of the local calling area are determined by the long distance carrier of the customer’s choosing. Customers may elect to subscribe to toll blocking at no charge.

The Cooperative does not disconnect the service of Lifeline subscribers for the non-payment of toll charges. However, the Cooperative reserves the right to implement toll blocking, at no charge, if the customer incurs a significant balance of unpaid toll bills.

Lifeline Program reductions do not apply to additional services such as information-related services and custom calling features. Lifeline customers may subscribe to these services, where available, at the same rates offered to other customers.

Lifeline customers may subscribe to any residential voice telephony service package that is generally available to the public and will receive the applicable Lifeline discount off the regular price of the package.

## **LINE 3010 – MILESTONE CERTIFICATION**

Taylor Telephone Cooperative, Inc. (“the Cooperative”) hereby certifies that it has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to reasonably comparable offerings in urban areas, at rates that are reasonably comparable to rates for comparable offerings in urban areas, and that requests for such service are met within a reasonable amount of time. If the Cooperative determines that a request for broadband at actual speeds of at least 10 Mbps downstream/1 Mbps upstream is unreasonable, and offering broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream is reasonable, the Cooperative offers broadband service of at least 4 Mbps downstream/1 Mbps upstream.

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According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential. <hr/> BORROWER NAME Taylor Telephone Cooperative, Incorporated (Prepared with Audited Data)	
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2015	BORROWER DESIGNATION TX0544

## CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII**

(Check one of the following)

- ☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Steve Singletary

3/18/2016

DATE

## PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			<b>35. Total Current Liabilities (25 thru 34)</b>		
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
<b>10. Total Current Assets (1 Thru 9)</b>			39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			<b>46. Total Long-Term Debt (36 thru 45)</b>		
13. Nonregulated Investments			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
<b>17. Total Noncurrent Assets (11 thru 16)</b>			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
<b>23. Net Plant (18 thru 21 less 22)</b>			56. Patronage Capital Credits		
<b>24. TOTAL ASSETS (10+17+23)</b>			57. Retained Earnings or Margins		
			<b>58. Total Equity (51 thru 57)</b>		
			<b>59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>		

Total Equity =              % of Total Assets

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>		BORROWER DESIGNATION  TX0544	
INSTRUCTIONS- See RUS Bulletin 1744-2		PERIOD ENDING  December, 2015	
<b>PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS</b>			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues			
2. Network Access Services Revenues			
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues			
6. Uncollectible Revenues			
7. Net Operating Revenues (1 thru 5 less 6)			
8. Plant Specific Operations Expense			
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)			
10. Depreciation Expense			
11. Amortization Expense			
12. Customer Operations Expense			
13. Corporate Operations Expense			
14. Total Operating Expenses (8 thru 13)			
15. Operating Income or Margins (7 less 14)			
16. Other Operating Income and Expenses			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17+18+19)			
21. Net Operating Income or Margins (15+16-20)			
22. Interest on Funded Debt			
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)			
27. Nonoperating Net Income			
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income			
31. Total Net Income or Margins (21+27+28+29+30-26)			
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year			
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]			
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)			
44. Annual Debt Service Payments			
45. Cash Ratio [(14+20-10-11) / 7]			
46. Operating Accrual Ratio [(14+20+26) / 7]			
47. TIER [(31+26) / 26]			
48. DSCR [(31+26+10+11) / 44]			

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## OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

TX0544

PERIOD ENDED

December, 2015

### Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Bradshaw	14.65	13.65					
Buffalo Gap	14.15	13.15					
Crews	14.65	13.65					
Hamby	18.65	14.15					
Hawley	19.98	15.48					
Lawn	14.15	13.15					
Lueders	18.15	13.65					
Nolan	14.65	13.65					
Noodle	14.65	13.65					
Norton	14.65	13.65					
Potosi	19.98	15.48					
Tuscola	14.15	13.15					
Wingate	14.65	13.65					
Nubia	14.65	13.65					
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges	14						





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<b>USDA-RUS</b>  <b>OPERATING REPORT FOR</b> <b>TELECOMMUNICATIONS BORROWERS</b>		<b>BORROWER DESIGNATION</b> TX0544  <b>PERIOD ENDING</b> December, 2015							
INSTRUCTIONS- See RUS Bulletin 1744-2									
<b>PART D. SYSTEM DATA</b>									
1. No. Plant Employees	2. No. Other Employees	3. Service Miles Served	4. Access Lines per Service Mile						
<b>PART E. TOLL DATA</b>									
1. Study Area ID Code(s) a. 442151 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one)  <table style="width: 100%;"> <tr> <td style="width: 40%;">Interstate:</td> <td style="width: 20%;"><input type="checkbox"/> Average Schedule</td> <td style="width: 20%;"><input checked="" type="checkbox"/> Cost Basis</td> </tr> <tr> <td>Intrastate:</td> <td><input type="checkbox"/> Average Schedule</td> <td><input checked="" type="checkbox"/> Cost Basis</td> </tr> </table>		Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis
Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis							
Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis							
<b>PART F. FUNDS INVESTED IN PLANT DURING YEAR</b>									
1. RUS, RTB, & FFB Loan Funds Expended									
2. Other Long-Term Loan Funds Expended									
3. Funds Expended Under RUS Interim Approval									
4. Other Short-Term Loan Funds Expended									
5. General Funds Expended (Other than Interim)									
6. Salvaged Materials									
7. Contribution in Aid to Construction									
8. Gross Additions to Telecom. Plant (1 thru 7)									
<b>PART G. INVESTMENTS IN AFFILIATED COMPANIES</b>									
<b>INVESTMENTS</b>  (a)	<b>CURRENT YEAR DATA</b>		<b>CUMULATIVE DATA</b>						
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance				
	(b)	(c)	(d)	(e)	(f)				
1. Investment in Affiliated Companies - Rural Development									
2. Investment in Affiliated Companies - Nonrural Development									

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION TX0544  PERIOD ENDING December, 2015
<b>PART H. CURRENT DEPRECIATION RATES</b>	
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) <span style="float: right;"> <input checked="checked" type="checkbox"/> YES                     <input type="checkbox"/> NO                 </span>	
<b>EQUIPMENT CATEGORY</b>	<b>DEPRECIATION RATE</b>
1. Land and support assets - Motor Vehicles	
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

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USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>		BORROWER DESIGNATION TX0544
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2015
<b>PART I – STATEMENT OF CASH FLOWS</b>		
<b>1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>2. Net Income</b>		
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
<b>3. Add: Depreciation</b>		
<b>4. Add: Amortization</b>		
<b>5. Other (Explain)</b> Change in Interest Receivable		
<i>Changes in Operating Assets and Liabilities</i>		
<b>6. Decrease/(Increase) in Accounts Receivable</b>		
<b>7. Decrease/(Increase) in Materials and Inventory</b>		
<b>8. Decrease/(Increase) in Prepayments and Deferred Charges</b>		
<b>9. Decrease/(Increase) in Other Current Assets</b>		
<b>10. Increase/(Decrease) in Accounts Payable</b>		
<b>11. Increase/(Decrease) in Advance Billings &amp; Payments</b>		
<b>12. Increase/(Decrease) in Other Current Liabilities</b>		
<b>13. Net Cash Provided/(Used) by Operations</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>14. Decrease/(Increase) in Notes Receivable</b>		
<b>15. Increase/(Decrease) in Notes Payable</b>		
<b>16. Increase/(Decrease) in Customer Deposits</b>		
<b>17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)</b>		
<b>18. Increase/(Decrease) in Other Liabilities &amp; Deferred Credits</b>		
<b>19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates &amp; Other Capital</b>		
<b>20. Less: Payment of Dividends</b>		
<b>21. Less: Patronage Capital Credits Retired</b>		
<b>22. Other (Explain)</b>		
<b>23. Net Cash Provided/(Used) by Financing Activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>24. Net Capital Expenditures (Property, Plant &amp; Equipment)</b>		
<b>25. Other Long-Term Investments</b>		
<b>26. Other Noncurrent Assets &amp; Jurisdictional Differences</b>		
<b>27. Other (Explain)</b> Net Pland Additions, Retirements & Salvage		
<b>28. Net Cash Provided/(Used) by Investing Activities</b>		
<b>29. Net Increase/(Decrease) in Cash</b>		
<b>30. Ending Cash</b>		

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